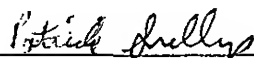


AMENDMENT 2
TO THE
MEMORANDUM OF UNDERSTANDING
BETWEEN THE
SECRETARY OF DEFENSE ON BEHALF OF THE
DEPARTMENT OF DEFENSE
OF THE UNITED STATES OF AMERICA
AND THE
SECRETARY OF STATE FOR DEFENCE
OF THE UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
CONCERNING THE
COOPERATIVE OUTBOARD LOGISTICS UPDATE (AN/SQQ-108V())
PROJECT
(SHORT TITLE: COBLU)

Certified to be a true copy:


Patrick Snellings
International Agreements Specialist
Navy International Programs Office

INTRODUCTION

1. The purpose of Amendment 2 to the COBLU Memorandum of Understanding (MOU) is to extend the duration of the MOU by twenty-four (24) months to allow the Participants to complete the scope of work, and to adjust the shared costs of the Full Rate Production, Life-Cycle System Support, and Baseline Upgrades.

2. Accordingly, the Secretary of Defense on behalf of the Department of Defense of the United States of America and the Secretary of State for Defence of the United Kingdom of Great Britain and Northern Ireland have reached the following understandings:

AMENDMENT

The COBLU MOU is hereby amended as follows:

1. SECTION XVI, AMENDMENT, TERMINATION, ENTRY INTO EFFECT, AND DURATION:

a. In paragraph 8., first sentence, change the words, "for ten (10) years", to read "until 30 September 2006".

2. ANNEX C, FINANCIAL MATTERS:

a. In paragraph 2.b., change Table C-2 to read as follows:

TABLE C-2

FRP, LIFE-CYCLE SYSTEM SUPPORT, AND BASELINE UPGRADE
FINANCIAL CONTRIBUTIONS

Participant	Funding
U.S. DoD	\$4.500 million (FRP)
	\$11.825 million (Life-Cycle System Support)
	\$22.500 million (Baseline upgrades)
	<hr/> \$38.825 million
U.K. MoD	\$3.420 million (FRP)
	\$8.350 million (Life-Cycle System Support)
	\$15.000 million (Baseline upgrades)
	<hr/> \$26.770 million

b. In paragraph 4.b., change Table C-4 to read as follows:

TABLE C-4

ESTIMATED CONTRIBUTIONS FRP, LIFE-CYCLE SYSTEM SUPPORT, AND
BASELINE UPGRADES BY FY
(FY97 DOLLARS IN MILLIONS)

Full Rate Production										
	FY98	FY99	FY00	FY01	FY02	FY03	FY04	FY05	FY06	Total
U.S. DoD	0.000	0.900	0.900	0.900	0.900	0.900	0.000	0.000	0.000	4.500
U.K. MoD	0.000	0.600	0.600	0.600	0.600	0.600	0.420	0.000	0.000	3.420
Total	0.000	1.500	1.500	1.500	1.500	1.500	0.420	0.000	0.000	7.920

Life-Cycle System Support										
	FY98	FY99	FY00	FY01	FY02	FY03	FY04	FY05	FY06	Total
U.S. DoD	0.450	0.825	1.125	1.125	1.125	1.125	1.860	2.280	1.910	11.825
U.K. MoD	0.300	0.550	0.750	0.750	0.750	0.750	1.180	1.890	1.430	8.350
Total	0.750	1.375	1.875	1.875	1.875	1.875	3.040	4.170	3.340	20.175

Baseline Upgrades										
	FY98	FY99	FY00	FY01	FY02	FY03	FY04	FY05	FY06	Total
U.S. DoD	2.400	5.100	3.750	3.750	3.750	3.750	0.000	0.000	0.000	22.500
U.K. MoD	1.600	3.400	2.500	2.500	2.500	2.500	0.000	0.000	0.000	15.000
Total	4.000	8.500	6.250	6.250	6.250	6.250	0.000	0.000	0.000	37.500

Funding Summary										
	FY98	FY99	FY00	FY01	FY02	FY03	FY04	FY05	FY06	Total
U.S. DoD	2.850	6.825	5.775	5.775	5.775	5.775	1.860	2.280	1.910	38.825
U.K. MoD	1.900	4.550	3.850	3.850	3.850	3.850	1.600	1.890	1.430	26.770
Total	4.750	11.375	9.625	9.625	9.625	9.625	3.460	4.170	3.340	65.595

ENTRY INTO EFFECT

This Amendment will enter into effect upon signature of both Participants and will remain in effect for the same period as the MOU which it amends. Unless specifically amended herein, all other provisions of the COBLU MOU remain unchanged.

The foregoing represents the understandings between the Secretary of Defense on behalf of the Department of Defense of the United States of America and the Secretary of State for Defence of the United Kingdom of Great Britain and Northern Ireland upon the matters referred to therein.

Signed, in duplicate, in the English language, by authorized representatives.

FOR THE SECRETARY OF DEFENSE
ON BEHALF OF THE DEPARTMENT OF
DEFENSE OF THE UNITED STATES
OF AMERICA.



Signature

M. R. MILLIKEN

Name

Deputy Assistant Secretary of
the Navy (International
Programs)

Title

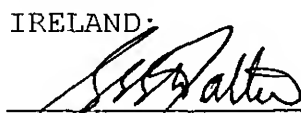
DEC 10 2004

Date

Washington, DC

Location

FOR THE SECRETARY OF STATE FOR
DEFENCE OF THE UNITED KINGDOM
OF GREAT BRITAIN AND NORTHERN
IRELAND:



Signature

Air Vice Marshal Stephen Dalton

Name

Capability Manager (Information
Superiority)

Title

DEC 21 2004

Date

London, UK

Location